

**USACE FINANCE CENTER
BIWEEKLY REPORT
PERIOD ENDING 14 SEPTEMBER 2007**

I. UFC ISSUES:

A. The CFO/Civil Reports Division continues to provide information to the auditors from PricewaterhouseCoopers (PwC) related to the USACE financial statements and footnotes through 3rd Quarter, FY 2007. We met with PwC about the "Provided by Client" list, Defense Departmental Reporting System (DDRS) journal vouchers, and report mapping in DDRS. We also provided pre-close and post-close trial balances for August 2007.

B. We completed a reconciliation for PwC of spending authority from offsetting collections reported on the Statement of Budgetary Resources (SBR) to the proprietary revenue and change in accounts receivable. We also provided a reconciliation of the unobligated balance on the SBR to the status of funds on Note 3, Fund Balance with Treasury for 3rd Quarter, FY 2007.

C. Upon request from Mr. Brian Sullivan, speechwriter for Major General Don Riley, Director of Civil Works, we provided outlay figures to HQUSACE for 2002-2007 general expense, investigations, construction, operations and maintenance, flood control and coastal emergencies, regulatory, formerly utilized sites remedial action program, and Mississippi River and tributaries appropriations. Mr. Sullivan needed the financial data to develop a chart to support a speech the Major General Riley would deliver early the following week.

D. CFO/Civil Works Division accountants participated in a teleconference with HQUSACE personnel and the Department of Homeland Security (DHS) regarding intra-governmental transaction reporting and a material difference in the Treasury Intra-governmental Reconciliation Analysis System (IRAS). A collaborative plan was established by both agencies to address reporting reconciliation issues. Additionally, USACE has exchanged data with DHS and we are working to identify differences in reporting.

E. The Deputy Director of Accounting, Ellen Gibson, provided HQUSACE Civil Works with information on the amounts transferred this fiscal year from the Inland Waterways Trust Fund (IWTF), and the amount of obligation authority yet to be transferred from the trust fund. OMB is concerned about the increasing risk over the next four to five quarters of over-obligating against IWTF receipts, since obligations are incurred throughout the year and revenues are collected throughout the year, but revenues are transferred to cover obligations only after the fact. In response to this concern, we performed a three-year

historical analysis, and provided HQUSACE with comparative data of IWTF receipts and expenditures.

F. Members of the Cash and Military Reports Division continue to research the Multi-National Security Transition Command - Iraq (MNSTC-I) purchase requests and contracts, and contact vendors and contracting officers to determine if committed Iraq Security Forces Fund (ISFF) funds have been awarded and should be obligated. These items are also being reviewed to determine if any expiring funds can be deobligated before fiscal year-end. Daily funding status for 21.2006.2092 (ISFF) funds has been requested by DFAS.

G. The Cash Reports Team accountants reconciled the current month statement of differences for deposits. The reconciliation of current and prior months will be provided to PwC auditors, along with supporting documentation to identify the amounts that comprise the total difference.

H. The UFC Travel Division is processing PCS vouchers received on 28 Aug 07.

II. ACCOUNTING OPERATIONS:

A. NUMBER AND LOCATION OF ONBOARD PERSONNEL

LOCATION	ONBOARD
MILLINGTON:	205
HUNTSVILLE:	23
USACE HQ:	1
TOTAL:	229

B. DISBURSING WORKLOAD DATA

PAYMENT	CURRENT MONTH 01-11 Sep	YEAR TO DATE 01-Oct - 11 Sep 07
CHECKS:		
CHECKS ISSUED	2366	87324
PERCENT OF TOTAL	5%	7%
DOLLAR AMOUNT	\$37,964,047	\$1,132,855,294
EFT:		
TRANSFERS MADE	24,345	628,659
PERCENT OF TOTAL	95%	93%
DOLLAR AMOUNT	\$790,738,194	\$22,776,171,584

*percentages adjusted for utility checks which do not have to participate in EFT

III. CEFMS:

A. We have determined that for some USACE activity databases, we are running out of large ranges of sequentially unique collection voucher numbers. This requires manual effort to find and update USACE activity databases with sequential ranges of collection voucher numbers for programs to continue processing. To alleviate the problem, we have designed a plan to create a single function that will search for unique collection voucher numbers. Utilization of this function will require modification for all programs that create/insert a collection voucher number. We have initiated the testing of the new function.

B. We have provided the PwC auditors with detailed instructions, reconciliation files, transaction registers and labor subsidiary files for July and August FY07. The reconciliations consist of the following USACE corporate data files:

- Reconciliation of the civil labor hour detail data to the civil labor transaction registers for expense general ledgers.

- Reconciliation of the civil and military labor hour detail data to the labor transaction registers to balance revolving fund revenue general ledgers.

C. We are continuing to monitor the processing of the Treasury Offset Program (TOP) at UFC. We are also working on Phase II of the programming that will include the reversal of a previous offset. Since July 2007, the UFC has collected approximately \$320,000.00 of Federal debt.

D. We assisted the UFC Disbursing Division with reconciliation of the database records when they were experiencing hardware problems at the Central Processing Center the week of 27 Aug 07. A number of the disbursing automated programs did not execute each day, and the databases were going down in the middle of the EFT File Generation Program. Each time this happened, it was necessary to review all of the current day's records to verify that everything scheduled to be disbursed was actually processed, and no data was lost during the distributive updating between the disbursing and subsidiary databases.

E. We changed the annual leave recovery rate maintenance form to access the Defense Civilian Pay System (DCPS) Biweekly Master Employee Record/Leave Extract, load the number of employees per type of leave category and perform preliminary calculations used in developing the annual leave recovery rate. Entry of the FOA code into the screen

causes a new process to execute in the background and to access the extract file for the user's UIC code.

F. We have continued testing the closing functionality for more USACE activities. This includes, but is not limited to, ensuring balances are closed out of the proper general ledger accounts, verifying the information on closing reports and checking general functionality of the closing processes.

G. We implemented an improved customer order routing email process. The old process no longer functioned after the 'public' file permission was changed by Information Management because of an audit finding. The improved process incorporates better emailing techniques that have become available since the original programming was done. The customer order routing email process is used frequently when customer orders are adjusted in preparing for year-end closeout. The changes make this process significantly more reliable and efficient.

H. We implemented the Cost Share Pending Electronic Signature Summary Report to permit monitoring of cost share control record electronic signatures. The report includes electronic signature information by District, Division or USACE depending on the database on which it is executed. The report provides a count of active cost share control records for which electronic signatures have expired or are within 30, 15 or 5 days of expiring. The HQUSACE Office of Council requires that active cost share control records be validated and re-electronically signed every 90 days to ensure that amounts recorded on the cost share control record are consistent with the local cost sharing agreement. All cost share control records included in the report category 'Signature Expired' violate the Office of Council policy. Currently, the Corps has 645 active cost share control records with an expired electronic signature.

I. We implemented the 'Calculate Closeout Adjustments' screen, which is used during cost share closeout to identify the cost adjustments required for USACE, and cost-sharing sponsors to meet agreed upon cost sharing percentages. This screen facilitates the close-out of completed cost shares and should eliminate the need for manual spreadsheets to calculate these cost adjustments. We advised the cost share users group of the screen and explained how to use it. The change was requested during the cost share training for a USACE activity.

J. We released major revisions to the Construction-in-Progress (CIP) transfer in screens for Military/Civil and the Revolving Fund. Users are now able to reverse transfer-in transactions and can process multiple transfers-in for one reporting period for the same work item.

In addition, multiple transferors can now be selected in the same accounting period for the same work item.

IV. PROBLEM REPORTS/IMBALANCES:

A. Open problem report inventory:

	<u>This Report</u>	<u>Last Report</u>
Total Problems	670	688
Priority #1 Problems	108	102

We received 172 new problem reports and completed 190 problem reports.

B. Database Imbalances on our 59 Production Activities:

<u># of Imbalances</u>	<u>This Report</u>	<u>Last Report</u>
None	57	57
One	2	0
Two	0	2